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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Application Number: 09/871,867
Filing Date: June 01, 2001
Appellant(s): MALNEKOFF, PETER J.

MAILED

DEC 0 1 2006

GROUP 3600

William J. Kramer
<u>For Appellant</u>

EXAMINER'S ANSWER

This is in response to the appeal brief filed September 18, 2006 appealing from the Office action

mailed September 14, 2005.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings

which will directly affect or be directly affected by or have a bearing on the Board's decision in

the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in

the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6,239,867	AGGARWAL	5-2001
5,828,405	VANIER et al.	10-1998

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-18, 20-22 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claim 1 recites, " an input device adapted to receive a gemstone laboratory grading certificate via a remote communication device". Applicant specification teaches gemstone data received from a user, being typed by a user. The specification does not teach the input device receiving the data via a remote communication device. Therefore the newly added feature is considered new matter. Applicant's specification also does not teach the input device receiving gemstone laboratory grading certificate. The specification teaches the input device receiving data contained on the various lab certificates associated with gemstone or which provides specific information about each gemstone. The specification does not teach receiving a certificate, thus this added feature is also a new matter.

Dependent claims are rejected since they depend on rejected claim.

Regarding claim 20, applicant's specification does not disclose allowing user to modify a value of any of the physical characteristics of the gemstone and adjusting the fair market pricing estimate based on the modified value. This added feature is considered new matter.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the

basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-14 are rejected under 35 U.S.C. 102(e) as being anticipated by Aggarwal

(6,236,867).

Regarding claim 1, Aggarwal teaches an input device adapted to receive a *gemstone*

laboratory grading certificate via a remote communication device, the gemstone laboratory

grading certificate including cut type, weight, color, etc., (see col. 1 lines 62 to col. 2 line 60 and

col. 14 line 16 to col. 16 line 27). Aggarwal (page 3, provisional application) teaches insurers

and consumers are interested in reclaiming lost or stolen goods recovered by police or retailers.

In addition to the aforementioned security concerns, presently, gem stones must be shipped or

sent by a courier for appraisal or for evaluation by an interested buyer. An electronic means of

transferring text, numerical and visual data that accurately presents the various attributes of a

gem stone can significantly improve transaction while reducing associated costs. Aggarwal also

teaches each stone having a unique folder assigned to it in which the images captured by DIG are

placed along with a text file that contains information on ownership, results of analysis and

appraisal report and other pertinent information, and in one preferred embodiment the analysis is

done locally; whereas, in other preferred embodiment, the folder or a set of folders is sent to a

central database services where the folder and its content are backed up for data security.

Thereafter, contents of the folder are analyzed to prepare an appraisal report (see page 13 line

28 to page 14 line 3). Therefore Aggarwal teaches evaluating a gemstone without the present of

the gemstone. Aggarwal teaches processing device adapted to compute a pricing estimate for use

in an evaluation report <u>based at least upon the data included on the gemstone laboratory grading</u>

<u>certificate</u> and an output adapted to communicate the evaluation report to the system user (see

col. 5 lines 1-37 and col. 16 lines 28-39) (see also the provisional application pp 3 line 26 to page

4 line 7, pp 6 lines 25-30, pp 13 lines 24 to pp 14 line 3 and fig. 21).

Regarding claim 2, Aggarwal teaches report including qualities of the gemstone (see col.

15 line 1-18 and col. 16 lines 28-38).

Regarding claim 4, Aggarwal teaches allowing the gemstone data to be received from a

remotely located device and allowing the report to be communicated to the remotely located

device (see col. 5 line 38 to col. 7 line 47).

Regarding claims 5 and 6, Aggarwal teaches printer for printing the evaluation report and

display screen (see fig. 1 and col. 6 lines 27-57).

Regarding claim 7, Aggarwal teaches system user, inputting data. Whether the user is a

consumer or not does not change the claimed feature of entering data in the system of Aggarwal.

Therefore, no patentable weight is given to the user being a consumer.

Claims 8, 15 and 16 are rejected as stated above in claim 1.

Claim 9 is rejected as stated above in claim 2.

Claim 11 is rejected as stated above in claim 4.

Claims 12, 13 and 18 are rejected as stated above in claims 5 and 6.

Claim 14 is rejected as stated above in claim 7.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

Claims 3, 10 and 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Aggarwal (6,236,867) in view of Vanier et al. U.S. Patent No. 5,828,405.

Regarding claims 3 and 10, Aggarwal does not teach price estimate including a separate

price estimate for each of different types of retail outlets. Vanier teaches appraised value of

jeweler being entered and stored in a database (see col. 6 lines 40-66). Therefore, it would have

been obvious to one of ordinary skill in the art at the time of the invention to provide different

price for different retail store, since different type of stores pay different price for gemstones and

sell it for different price.

Regarding claim 17, Aggarwal teaches indexing data structure, based on cut style weight,

color and clarity of the gemstone, reading indexed list price value (see col. 14 line 66 to col. 16

line 39). Aggarwal does not teach adjusting price value based on jeweler pricing adjustment.

Vanier teaches jewelers entering appraised value of gemstone appraised valued being stored in a

database, the value being high from which there is a substantial discount. It would have been

obvious to one of ordinary skill in the art at the time of the invention to appraise the gemstone

according to jeweler price, from which the gemstone was purchased or sold, since different retail

stores pay different price for the gemstones.

Regarding claims 21 and 22, Aggarwal does not teach the processing device adapted to adjust the pricing estimate based on a laboratory identifier or retail outlet identifiers. Vanier teaches the pricing of gemstone for insurance purpose. Vanier teaches user key in information with respect to the owner and the characteristics of the gemstone. Vanier teaches insurance company using the database of appraised value and characteristics of the gemstone to reflect any increased value of the gemstones overtime, which provides valuable information to insurance company. Therefore it would have been obvious to one of ordinary sill in the art at the time of the invention to implement Vanier's appraisal method in Aggarwal's grading method for the intended use of providing valuable information to insurance company in order to proved insurance coverage for the gemstone. It also would have been obvious to include different price estimate for each type of retailers based on the jewelry market, which is also based on the grading quality, in order to insure the gemstone appropriately, based on the price paid by buyer.

Claims 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Aggarwal (6,236,867) in view of "A Multimedia Solution to Productivity Gridlock: A Re-Engineered Jewelry Appraisal System at Zale Corporation" MIS Quarterly/March 1994, (hereinafter Zale). Regarding claim 20, Aggarwal does not teach allowing user to modify a value of any of the physical characteristics of the gemstone and adjusting the fair market pricing estimate based on the modified value of the physical characteristics of the gemstone, it is taught in Zale. Zale teaches a gemologist modifying data elements that now differ from the original specification because of the current condition of an item (see page 24). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the existing data of a gemstone, for the intended use of appraising the stone based on the current condition.

(10) Response to Argument

In regard to the art rejection Appellant argues that Aggarwal does not teach any data from a

gemstone laboratory grading certificate or computing a pricing estimate based at least upon the

data included on the gemstone laboratory grading certificate. Appellant asserts that Aggarwal

discloses method and system for measuring gemstone features using a spectral analysis and by

using Aggarwal machine, a gemstone feature may be, to some degree, objectively measured,

however Aggarwal is deficient in disclosing gemstone data of a grading certificate that

represents laboratory measurements using existing subjective measurement techniques.

Appellant argues that Aggarwal cannot use any data from grading certificates because Aggarwal

teaches producing its own objective gemstone that is unrelated to any particular laboratory.

Appellant concludes that Aggarwal cannot teach adjusting subjective measurements of a

laboratory grading certificate to product an objective price. Appellant asserts that the claimed

method adjusts existing gemstone data from laboratory grading certificate to provide more

objective pricing estimate of the gemstone. **Appellant also argues that Aggarwal requires the**

actual gemstone to product measurement of the gemstone, which while not specifically

discloses by Aggarwal may eventually be used to price the gemstone. Applicant further states

that the claimed method and system, on the other hand, can take a grading certificate produced

by any lab and generate an objective price estimate based on the data of the certificate without

the presence of a physical gemstone.

As indicated before, Aggarwal teaches *the image for each stone analyzed are*

stored in a unique analysis folder, along with a text file that contains information on ownership,

eventual result of the analysis, an appraisal report and other pertaining information, in the

memory of the local station. Aggarwal further teaches the file folder are sent to the analysis

station 14 for processing and compilation of the analysis station database and the folder and its

content are backed up for data security, therefore, *contents of the folder are analyzed to prepare*

an appraisal report (see col. 14 lines 17-33). Aggarwal further teaches *in addition to evaluating*

gemstone, the analysis station 14 matches the characteristics of the analyzed gemstones to

characteristic of gemstone previously analyzed by the apparatus and stored in the database.

Moreover the database can be queried to inventory gemstone possessing a certain characteristic

and/or price range as the database maintains current market price information used in the

appraisal of gemstone. Aggarwal teaches the analysis station can perform, grading matching,

identification, sorting and *appraisal functions independently or in any specific combination and*

communicate these reports as a multimedia presentation to local terminals (see col. 14 lines 28-

39). Therefore, Aggarwal teaches an input devices adapted to receive data used for computing

estimated pricing (appraising) whether it comes from any or the specific lab (which is not part of

the claimed invention). Examiner would like to point out that applicant's disclosure does not

specifically indicate that the data entered to the input means is without the presence of the stone

(whether the user of the system is holding the stone or not). Even if it did, there is no patentably

difference between the prior art and applicant's claimed invention, since presence of the stone

does not change the data entered and the evaluation done by the system. In other words the data

used for pricing the gemstone is the same as Aggarwal's data used for appraisal. However,

Aggarwal also teaches the measurements being taken with the presence of the stone and the

evaluation being done locally or at a remote location, i.e., without the presence of the stone. As

best understood by the examiner, appellant's data used for the grading certificate is also

extracted using the stone; i.e., by labs such as Aggarwal's. Therefore, there is no patentable difference between the invention as claimed and the prior art.

Regarding claim 17, Appellant argues that claim 7 (appellant mean claim 17) recites, in part, a price estimate based on a jeweler pricing adjustment or a laboratory identifier from a gemstone laboratory grading certificate. Appellant asserts that Vanier fails to teach adjusting a price based on a jeweler pricing adjustment. **Appellant asserts that Applicant does not deny that a price estimate may be adjust based on a jeweler's appraised value, however the claimed method recite adjusting a price estimate based on jeweler pricing adjustment, which is not disclosed or taught in Vanier.** Appellant asserts that the jeweler pricing adjustment is based on the identity of the jeweler.

According to Appellants specification the indexing list price is then adjusted by a variable jeweler pricing adjustment, **dependent upon the current market conditions for the type of gemstone,** to generate the baseline price estimate, not according to the identity of the jeweler (which is also not part of the claimed features). **Appellant asserts at best Vanier may teach storing data which may be used to adjust a price estimate, but Vanier does not teach using that data to adjust a price estimate.** Vanier teaches reading an indexed list price value stored and adjusting the indexed price based on a jeweler pricing adjustment (according to appellants specification is dependent upon current market) for generating an estimated price. Contrary to Appellants assertion, *Vanier teaches the jeweler keying in the information with respect to the owner and the characteristics of the gemstone and the jeweler's appraised value* (which is based on the current market and the jeweler's sell price). The system then *compare the characteristics of the gemstone and the appraised gemstone with standards or averages*

maintained by the database. Vanier further teaches if the jeweler's appraised value departs

significantly from industry standards; the appraised value may be somewhat high, as the jewelry

market typically has a relatively high retail price. Vanier further teaches *upon renewal of a*

policy, it may be appropriate to consider whether the appraised value should have risen, if the

gemstone value has increased substantially in value (based on the current value) (see col. 6 line

40 to col. 7 line 3).

Regarding claims 3 and 10, Appellant argues that Aggarwal does not disclose obtaining

any data from a gemstone laboratory grading certificate or computing a price estimate based at

least upon the data. This feature has been addressed in claim 1.

Regarding the argument on the Non-Provisional application, Examiner has already

indicated the support in provision application as shown under the "102" rejection stated above.

Section of the rejection will be repeated. As indicated above, Aggarwal (page 3, provisional

application) teaches insurers and consumers are interested in reclaiming lost or stolen goods

recovered by police or retailers. In addition to the aforementioned security concerns, presently,

gem stones must be shipped or sent by a courier for appraisal or for evaluation by an interested

buyer. An electronic means of transferring text, numerical and visual data that accurately

presents the various attributes of a gem stone can significantly improve transaction while

reducing associated costs. Aggarwal also teaches each stone having a unique folder assigned to it

in which the images captured by DIG are placed along with a text file that contains information

on ownership, results of analysis and appraisal report and other pertinent information, and in one

preferred embodiment the analysis is done locally; whereas, in other preferred embodiment, the

folder or a set of folders is sent to a central database services where the folder and its content are

backed up for data security. *Thereafter, contents of the folder are analyzed to prepare an*

appraisal report (see page 13 line 28 to page 14 line 3). Appellant asserts that the examiner

believes all dependent claim features not specifically discussed above are expressly or inherently

taught by Shang and if the examiner is alleging the claims are inherent in the Shang provisional

then MPEP specifically placed the burden on the Examiner to provide a rationale or evidence

tending to show inherency. Examiner however could not find such allegation in the any of the

office actions. Examiner indicates what the Appellant argued as not being supported by the

provisional application and Examiner did not indicate any inherence of any teaching by any prior

art, let alone by Shang.

Regarding the rejection of "112" first paragraph, Appellant argues that fig.2 and

corresponding specification at page 6 lines 15 to page 7 line 27support receiving a gemstone

laboratory grading certificate via a remote communication device. Appellant asserts since the

system as shown in fig. 2 additionally includes the preferred feature of a remote communication

system and the remote communication system communicates over a shared public network like

the Internet, **as known by those skilled in the art the claimed input device may have multiple**

connections to a network such as the Internet. Appellant asserts accordingly, **a laboratory**

grading certificate may be received at any number of connection to the network and

received by the input device for eventual communication to the processing device, thus the

specification supports that an input device may receive a gemstone laboratory grading

certificate via a remote communication device. Appellant also asserts **as know by those**

skilled in the art, a gemstone laboratory grading certificate may be inputted into a

computer system in any number of ways and while one embodiment involves typing the

certificate into an input device, the same input device may represent a scanner entered the

certificate. As indicated by Appellant the specification discloses data received corresponds to

the data contained on the various lab certificate typically associated with each gemstone. *As*

recognized by the Appellant the specification teaches receiving data contained in a certificate,

not the certificate itself. The issue is not whether the feature would have been obvious or whether

those skilled in the art would have known about the feature. According to "112" first paragraph:

> The specification shall contain a written description of the invention, and of the manner and process of making
> and using it, **in such full, clear, concise, and exact terms as to enable any person skilled in the art to which
> it pertains, or with which it is most nearly connected, to make and use the same** and shall set forth the best
> mode contemplated by the inventor of carrying out his invention.

Assuming Appellant's arguendo, that any computer with a remote communication or

connected to the Internet would receive the gemstone data, then not only Aggarwal' system but

any computer with such remote connection, whether it is connected to a gemstone database or

not, would receive the data through remote connection. And any computer, which could receive

gemstone data, would also receive the certificate. However, since Appellant's specification does

not contain a written description of the claimed feature, the "112" first paragraph rejection is

appropriate.

Regarding claim 20, Appellants specification does not teach allowing user to modify the

value of any of the physical characteristics of the gemstone. Whether one skilled in the art would

recognize it or not, the specification, including page 9 lines 24-26, page 10 lines 3-8 and lines

21-25, does not disclose such feature.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related

Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Yehdega Retta

/RETTA YEHDEGA
PRIMARY EXAMINER

Conferees:

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